

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

## INDIGENT POLICY

### 1. OBJECTIVE

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts this indigent management policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy by the national government's policy in this regard.

### 2. CRITERIA AND PROCESS FOR IDENTIFYING INDIGENT

Households where verified total gross monthly income of all occupants over 18 years of age does **not exceed R2 200.00**, or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charges for sewerage and refuse removal, and will additionally receive 6kl of water per month and 50kWh of electricity per month free of charge.

Only households where the account holder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of Indigents shall qualify for the above concessions.

For a household to qualify for subsidies or rebates on the major service charges (see 3 below), the registered indigent must be the full-time occupant of the property concerned, and **if also** the owner of the property concerned, may not own any property, whether in or out of the municipal area.

For a household to qualify for a rebate on rates, the registered Indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

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## INDIGENT POLICY

Indigent relief shall apply for a period not extending beyond the financial year in which the circular household is registered as indigent. Registration must be renewed in each registration programme if relief is to continue.

To register as an Indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies. The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at times and places determined by the council, but shall generally be undertaken during January and / or February each year.

Arrears of indigent customers on approval of application. Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers will not be recovered from such customers if they are approved as indigent. They shall be considered for write off as approved by council.

### **3. APPLICATION OF THE POLICY**

The subsidies on rates and the specified service charges will be determined as of each annual budget and in terms of the municipality's policies on property rates and tariffs.

In respect of water, a 100% subsidy up to 6kl per household per month will apply, however, if consumption exceeds 6kl per metering period (month) the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6kl.

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

## INDIGENT POLICY

In respect of electricity, a 100% subsidy up to 50kWh per household per month will apply, however, if consumption exceeds 50kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50kWh.

In respect of sewerage charges and charges for household refuse removal, the relief granted shall be equal to the monthly amount billed for the service concerned.

In respect of property rates, the rebate shall be 100% of the rates based on the ratable market market value above R65 000-00.

#### 4. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

When a property owner or accountholder who has registered as n Indigent fails to comply with any arrangements or conditions materially relevant to the receipt of INDIGENT relief, such person will forfeit his or her status as a registered Indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned.

The onus is on each registered Indigent to advise the municipal manager in writing of such failure to comply.

It may happen that even with the introduction of the Indigent policy, certain households may fall into arrears in respect of the amounts due by them.

The property owner or accountholder concerned will have to make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection policy. If these arrangements

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

---

## INDIGENT POLICY

are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection policy.

The relief to indigents may be withdrawn at the discretion of the municipal manager if :

- a registered Indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- any tampering with the installations of the municipality is detected.

If a registered Indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an Indigent, such person shall immediately be removed from the register of Indigents, and shall be liable to repay to the municipality with immediate effect all INDIGENT relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for INDIGENT relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanour is detected.

Indigent relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

### 5. REPORTING REQUIREMENTS

The municipal manager shall report on a monthly basis to the executive mayor or executive committee, as the case may be, for the month concerned and by municipal ward:

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

## INDIGENT POLICY

- the number of households registered as Indigents and a brief explanation of any movements in such numbers;
- the monetary value of the actual subsidies and rebates granted.
- the budgeted value of the subsidies and rebates concerned, and the above information cumulatively for the financial year to date.

The executive mayor shall submit the above reports on a bi-annual basis to the council and to the municipality's ward committees, or quarterly frequently to any ward committees if so requested.

### 6. APPLICATION FOR HOUSEHOLD INDIGENCE SUBSIDY

- a) In an effort to assist the needy population of Maluti a Phofung Municipality in the payment of municipal services, the municipality has agreed to a subsidy scheme whereby households earning less than R2 200-00 per month would have certain services fully or partially subsidized.
- b) Please read the back of this form to see if you qualify and what documents/forms you are required to produce and submit with this application. If you think that you qualify you must complete the details of all occupants over the age of 18 years old from the date of this application together with their respective gross monthly incomes in the space below.  
(Attach if space not enough)

### 7. EXCLUSIONS AND SPECIAL CONDITIONS

- Businesses (formal or informal) are not allowed to apply for indigent subsidy.
- Consumers staying in backrooms are not allowed to apply for indigent subsidy.
- Consumers who have tampered with the municipality's metering systems in the financial year concerned are excluded for consideration for indigent support.
- Consumers who have tenant(s) in their yards, either in the formal or informal structures.

# MALUTI-A-PHOFUNG LOCAL MUNICIPALITY

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## INDIGENT POLICY

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- Any household which does not meet the qualification criteria set out in this policy.

### 8. MONITORING AND REVIEW OF INDIGENTS

In order to apply this policy in a sound manner, the municipality shall identify, through the billing system, units consumed and above the free basic level and ensure these are billed and that payments are made in compliance with credit control policy and debt collection policy.

Half yearly verification of indigents, based on a random sample of 30% of the registered indigents, shall be performed to ensure accuracy of the indigent database.